

Message Text

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PAGE 01 QUITO 03737 292234Z

70

ACTION ARA-10

INFO OCT-01 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01

COME-00 DODE-00 EB-07 FPC-01 H-02 INR-07 INT-05 L-03

NSAE-00 NSC-05 OMB-01 PM-03 USIA-06 SAM-01 OES-03

SP-02 SS-15 STR-04 TRSE-00 FRB-03 FEA-01 PA-01 PRS-01

/094 W

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R 292210Z MAY 75

FM AMEMBASSY QUITO

TO SECSTATE WASHDC 5738

INFO AMCONSUL GUAYAQUIL

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E.O. 11652: N/A

TAGS: ENRG, EC

SUBJECT: TEXACO GULF

1. THE GOE HAS OFFICIALLY LOWERED THE FOREIGN EXCHANGE RETENTION REQUIREMENT FOR TEXACO-GULF FROM THE REFERENCE PRICE OF 13.90 PER BARREL TO 11.60, OR THE ACTUAL SALES PRICE, IF HIGHER. SINCE JANUARY 1974, TEXACO-GULF HAD BEEN REQUIRED TO DEPOSIT 13.90 ON EVERY EXPORTED BARREL. THE GOE WOULD THEN BELATEDLY REFUND TEXACO-GULF COSTS AND BOOK PROFITS. RESOLUTION 777, MAY 12, 1975, ESTABLISHES THE NEW LEVEL. THE DECREE RECOGNIZES THAT THE QUOTE PRICE OF ECUADOREAN PETROLEUM IN THE INTERNATIONAL MARKET IS LESS THAN THE CURRENT WITHHOLDING PRICE UNQUOTE.

2. COMMENT: LOWERING OF FOREIGN EXCHANGE RETENTION REPRESENTS AN IMPORTANT CONCESSION TO THE COMPANIES. TEXACO-GULF OFFICIALS HAD INSISTED UPON THIS REVISION IN RECENT MEETINGS WITH PRESIDENT RODRIGUEZ
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LARA (QUITO 3383). THE DECISION, MOREOVER, WILL NOT

PROVOKE MUCH PUBLIC CONTROVERSY SINCE RETENTION OF
FOREIGN EXCHANGE IS LITTLE UNDERSTOOD BY THE GENERAL
PUBLIC AND HAS BEEN BILLED BY THE GOE AS A CHANGE IN
BOOKKEEPING PROCEDURES.
HEMENWAY

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM INDUSTRY, POLICIES, FOREIGN EXCHANGE
Control Number: n/a
Copy: SINGLE
Draft Date: 29 MAY 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975QUITO03737
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750188-1060
From: QUITO
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t1975059/aaaaahtx.tel
Line Count: 66
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION ARA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 09 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <09 SEP 2003 by WorrelSW>; APPROVED <10 SEP 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TEXACO GULF
TAGS: ENRG, EC, TEXACO/GULF
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006